India passed in 1926 for this purpose and this Bill is only an adaptation of the same. It is also likely that with the development of the harbour many other foreign Governments may come in. Government have therefore to levy income-tax from such Governments and this Legislation is intended to take power for that purpose.

Mr. K. R. Viswambharan *(Ezhuvas-Talappalli)*: May I know whether there are at present foreign Governments doing business?

Mr. C. A. Kunjunni Raja *(Advocate-General)*: Yes. There is.

Mr. K. P. Kannan Nayar *(Secretary to Government)*: I second the motion.

Motion put and carried

Secretary to the Council: The title of the Bill is the Government Trading Taxation Bill.

Mr. C. A. Kunjunni Raja *(Advocate-General)*: I request the President to suspend S. O. No. 32.

Deputy President: The Standing Order is suspended.

Mr. C. A. Kunjunni Raja *(Advocate-General)*: I move that the Bill be taken into consideration.

Mr. K. P. Kannan Nayar *(Secretary to Government)*: I second the motion.

Motion put and carried

Clause 2 of the Bill put and carred

Clause 1 put and carried

Title and preamble put and carried

Mr. C. A. Kunjunni Raja *(Advocate-General)*: I move that the Bill may be taken up and passed tomorrow.—

Mr. K. P. Kannan Nayar *(Secretary to Government)*: I second the motion.

Motion put and carried

The Cochin Transfer of Property Act Amendment Bill*

Mr. C. A. Kunjunni Raja *(Advocate-General)*: I move that the Cochin Transfer of Property Act Amendment Bill be read in Council. Under the present Act, Mattancheri and other Municipal

*Appendix IV

LIBRARY ARCHIVES Kerala Legislative Assembly

areas are mentioned as places where mortgage by deposit of title deeds can be made. The word "Mattancheri" is not defined anywhere. By mistake it was inserted in section 59. The proper word ought to have been "within the Municipal areas of Mattancheri, etc". When Tattamangalam is now separated from Chittur, Government think that this right cannot be extended to the Chittur Municipal area. That portion is propsed to be deleted from the Act. The object of the Bill is to make these modifications. The reason is, so far as this right is concerned, it can be given only to most important commercial centres. In British India it is only given to the cities of Calcutta, Bombay, Madras, Karachi and Rangoon and commercial centres like Moulvin, Bassin and Akyab. The present population of Chittur does not come to more than 20,000 and it is only a very small town. When it was separated from Tattamangalam from the point of view of population it has lost its commercial importance. That is the reason why it is attempted to be excluded.

Mr. K. P. Kannan Nayar *(Secretary to Government):* I second the motion.

Motion put and carried

Secretary to the Council: The title of the Bill is the Cochin Transfer of Property Act Amendment Bill.

Mr. C. A. Kunjunni Raja *(Advocate-General):* I request that Standing Order No. 32 may be suspended.

Deputy President: It is suspended.

Mr. C. A. Kunjunni Raja *(Advocate-General):* I move that the Bill be taken into consideration.

Mr. K. P. Kannan Nayar *(Secretary to Government):* I second it.

Mr. A. Eachara Menon *(Chittur-Rural):* My amendment is this: *"In clause 2 omit the words The Municipal areas of Mattancheri, Ernakulam and Trichur "and put instead" All the Municipal areas of the State."* Hitherto I had thought that the Government had given this concession to us so that our people need not take the labrynthian and expansion course of going to the Registry Office. What is the position of Chittur in the industrial map of Cochin. It is very very low. It is for that reason that Government wants to take away this right. I think otherwise. It is to a place like Chittur that this power of raising money by deposit of title deeds should be given. It has been found expedient that it must be removed. It is not so very expedient to see how the Chittur

LIBRARY ARCHIVES Kerala Legislative Assembly

people will be injured by that. I do admit that Chittur has not sufficiently developed. It is for that reason that I want the power to be given to Chittur. If I want to give this power to Chittur, it is because these poor people can go to a money lender with the title deeds and get some two hundred rupees. Short term loan can be had without extra expense by this method. For this the Government wants these people to get the documents registered. It is really horrible. Why should they think of taking away a right which has once been given? It was given by a Council. We have found it more advantageous. Hence the request.

Mr. K. Kochukunhan Kaimal *(Vadakkoncheri)*: I second the amendment.

Mr. C. A. Kunjunni Raja *(Advocate-General)*: Mortgage by deposit of title deeds is a very dangerous right to be given, because very often it has led to abuse and cases of fraud very often arise. The House will realise that there is no registration in these cases. Very often to defeat mortgages created by registration if, some title deeds escape notice, these title deeds are alleged to have been deposited and complications ensue. Courts have very often expressed that as far as possible this right should not be allowed to exist. This is a fraud on the registration law. The registration law was introduced so that all documents registered should be entered in a register and that people may know whether there are any previous encumbrances. Transfer of property is made a system of public transfer. People will be taken by surprise if this right of mortgage by deposit of title deeds is given to every centre where there is not much commercil business. This right is given in cities where in commercial transactions there may not be sufficient time to investigate title and prepare the document. Chittur, the Hon'ble members will realise, is almost a rural town. There is very little of commercial business carried on and the population is not more than 20,000. In the case of Mattancheri, Ernakulam and Trichur it is not like that. That is the reason why Government has excluded Chittur.

Mr. A. B. Salem *(Mattancheri)*: How many cases of fraud have come to the notice of the Government?

Mr. C. A. Kunjunni Raja *(Advocate-General)*: The number of cases I cannot give.

Mr. K. Kochukunhan Kaimal *(Vadakkancheri)*: Any case from Chittur?

LIBRARY ARCHIVES Kerala Legislative Assembly

Mr. C. A. Kunjunni Raja *(Advocate-General):* I do not say from Chittur. But Courts have expressed that there is no necessity to give this right in non-commercial towns.

Amendment put and lost

Clause 2 of the Bill put and carried

Clause 1 put and carried

The title and preamble put and carried

Mr. C. A. Kunjunni Raja *(Advocate-General):* I move that the Bill be taken up and passed tomorrow.

Mr. K. P. Kannan Nayar *(Secretary to Government):* I second the motion.

Motion put and carried

The Cochin Town Councils Bill

Dr. A. R. Menon *(Minister for Rural Development):* I move that the Cochin Town Councils Bill be read in Council.

Mr. K. P. Kannan Nayar *(Secretary to Government):* I second it.

* **Dr. A. R. Menon** *(Minister for Rural Development):* I think it is but proper to express my reasons as briefly as possible for bringing forward this measure and also to give the salient features in a rough way embodied in this Bill. There is a general tendency that as far as possible the powers must be handed over to the people themselves in managing their own local affairs. This tendency has been evinced not only in the State but all over India, and as a popular Minister, I thought it my duty to introduce in this House a measure which will go a very long way in handing over the powers to the representatives of the people themselves. This Bill is neither brought with any spirit of oppressing our people nor do I wish that it should be a party measure, and so I invite the members to vote as they please and if I find that the consensus of opinion is against this measure, then it will be my duty to withdraw the measure *(hear, hear)*. The main function of the Minister is to persuade the reserved half to accept a measure of this kind and I have succeeded in doing so. Regarding the other half the question must be decided by the members themselves and I do not want to get a snap division to carry things by a small minority. If the House thinks that the time has not come to introduce a measure of

* Speech not corrected by the hon'ble member.

LIBRARY ARCHIVES Kerala Legislative Assembly

2. (1) *Liability of foreign Governments to taxation in respect of trading operations.*—Where a trade or business of any kind is carried on by or on behalf of any Government other than the Government of Cochin, that Government shall, in respect of the trade or business and of all operations connected therewith, all property occupied in Cochin State and all goods owned in Cochin State for the purposes thereof, and all income arising in connection therewith, be liable—

(*a*) to taxation under the Cochin Income-tax Act (VIII of 1108), in the same manner and to the same extent as in the like case a company would be liable;

(*b*) to all other taxation for the time being in force in Cochin State in the same manner as in the like case any other person would be liable.

(2) For the purposes of the levy and collection of income-tax under the Cochin Income-tax Act (VIII of 1108), in accordance with the provisions of sub-section (1), any Government to which that sub-section applies shall be deemed to be a company within the meaning of that Act and the provisions of that Act shall apply accordingly.

APPENDIX IV

THE COCHIN TRANSFER OF PROPERTY ACT (AMENDMENT) BILL

Preamble.—Whereas it is deemed expedient further to amend the Cochin Transfer of Property Act, XVII of 1111; It is hereby enacted as follows.—

1. *Short title and commencement.*—This Act may be called the Cochin Transfer of Property (Amendment) Act, of 111 , and shall come into force at once.

2. *Amendment of section 59 (f).*—In clause (*f*) of section 59 of the Cochin Transfer of Property Act, XVII of 1111, for the words "Mattancheri, the Municipal areas of Ernakulam, Trichur and Chittur-Tattamangalam", the following words shall be substituted, *viz.*—

"the Municipal areas of Mattancheri, Ernakulam and Trichur."

C. J. MATHEW

Secretary to the Council

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